

Defining Value

By **STEPHEN MICHAEL KELLAT**

That special groundhog saw his shadow in the central Pennsylvania community of Punxsatawney. Six more weeks of winter supposedly loom ahead. Unfortunately groundhogs do not predict economic cycles.

Even the economy has caught up with libraries today. Those on the front-lines must avoid the temptation to blame funding problems on “the government”. Libraries are one of those sorts of governmental agencies that the average adult citizen potentially interacts with far more frequently than perhaps a mayor's office or the upper echelons of the various public safety commands.

The big problem throughout the economy that is now trickling down to libraries is the lack of definition of what value may be and how it is assessed. This was seen in late 2008 with the addition of the delightful piece of jargon known as “toxic assets” to the public's lexicon. Toxic assets were termed such as they were financial instruments that nobody in the financial services industry could figure out a fair market value for. If no value can be assigned, red ink appeared in bookkeeping due to the now-modified accounting rules. Multiple financial institutions cratered and due to the complexity of some insurance items known as Credit Default Swaps the damage was somewhat prevented from spreading to the rest of the planet due to payouts made by insurer AIG. The list of counter-party payouts made by AIG is not fully released yet but is expected to include prominent financial institutions in European countries at a bare minimum.

That on-going financial crisis shows in large scale a problem which permeates other parts of life. What is value? How do we assign value to things? In a world where the intangible tries to gain equal footing with the tangible in the marketplace this gets very confused. From the perspective of librarians, we already have one place where we can observe this tension without having to resort to the macroeconomic level of Wall Street cratering. The prime example is the ebook marketplace on Amazon.

Thanks to the efforts of LISNews user bibliofuture, posts have been seen over and over about tensions relative to pricing. A large movement on Amazon purportedly wishes to cap ebook costs at USD\$9.99 or less while publishers wish to charge more. At risk between those groups are those intangible blobs of bits called ebooks that previously would have been tangible codices made of paper and other ingredients which we otherwise would call books. Unlike physical books, Amazon will not run out of copies of the intangible blob of bits that is an ebook. That lack of scarcity helps contribute to a perception that that same intangible blob of bits is less costly to produce than a paper-based codex might have been instead.

The production of an intangible like an ebook is not without cost. Just as there are materials costs in producing widgets, there are also labor costs in producing

widgets. As for the production of intangibles such as those that fuel today's supposed knowledge economy, the irreducible production is labor hours. The work an author undertakes is roughly the same whether the end-product work is a paper-based codex or an ebook. There is still a cost involved in creating a media manifestation of one sort or another. This is easily evidenced by the difference in the amount of time that textual blog posts, audio podcasts, and video podcasts require for creation.

With the opaqueness and lack of public understanding as to the costs involved in producing intangibles in today's knowledge economy, is it any wonder that there is a lack of any reference point to judge worth and value? When visiting a deli a customer has reference points to determine the worth and value of a piece of meat compared to what else is on offer. Intangibles do not provide those hooks which then leads to difficult discussions of public goods served and benefits derived. Outside bread and butter issues like device compatibility, how can one assign value to a single song for download let alone choose between retailers offering that song? With the ease of manipulating online reviewing and commenting systems, usable community-based reference points cannot be separated from the chaff otherwise called propaganda.

The root problem with this is the lack of community and by extension the degradation of society. Commerce is based upon the notion of some consistency and predictability in interaction. While many in the First World are more connected than ever with online tools and gadgetry, attention is taken away from the real world around you. When you functionally cease to be part of a community, value and cost make little sense to you. When you functionally cease to be part of a community, you become little more than alien without a grasp of the native language let alone culture. When you check out on society through electronic means, culture and knowledge wither as social stratification is increased through the reality of those who have electronic access and those who do not.

This is not something libraries can fix by themselves. While libraries have a role to play in this, they are not the ones to lead this dance so to say. That initiative can only come from other political elites or the religious orders. When voters chose in late 2008 *change they could believe in* it becomes more readily apparent that nobody is quite sure what the end result will yet be. The strengthening of communities and interpersonal ties is going to be essential for society to lift itself out of its current economic psychosis.

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